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## FINANCIAL SERVICES COMMITTEE DEMOCRATS

# “THE COMPREHENSIVE CONSUMER CREDIT REPORTING REFORM ACT”

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**The Comprehensive Consumer Credit Reporting Reform Act of 2017** will enhance requirements on consumer reporting agencies (CRAs) like Equifax, TransUnion, and Experian, to better ensure that the information on credit reports is accurate and complete. The reintroduction of the legislation comes in the aftermath of a [major security breach at Equifax](#), one of the nation’s largest CRAs, in which hackers stole 143 million Americans’ personal information, including Social Security numbers, birth dates, addresses, and driver’s license numbers.

The legislation, reintroduced by **Congresswoman Maxine Waters (D-CA)**, Ranking Member of the Financial Services Committee, addresses many of the flaws with the existing consumer reporting system, by making commonsense changes that would enhance consumers’ rights, create more transparency over the consumer reporting and credit scoring processes, and increase the accountability of CRAs, furnishers, and companies that develop credit scoring models.

### **The Comprehensive Consumer Credit Reporting Reform Act of 2017:**

- **Enhances Protections for Consumers from Fraud and Identity Theft:**
  - Provides free and timely access to credit freezes for fraud victims and vulnerable consumers and caps the costs for others at \$3 to place, temporarily lift, or remove a credit freeze.
  - Provides free credit monitoring and identity theft services to vulnerable consumers and allows the Consumer Financial Protection Bureau (Consumer Bureau) to limit the fees for others.
- **Transfers Burdens from Consumers to CRAs and Creditors:**
  - Gives consumers the right to appeal the results of initial disputes conducted by CRAs and furnishers.
  - Mandates consumers are provided free copies of any documents relied on by CRAs or furnishers to determine the accuracy or completeness of disputed items.
- **Restricts the Use of Credit Information for Employment:**
  - Only allows the use of credit information for employment purposes when it is required by local, state, or Federal law or for national security clearances.
- **Rehabilitates the Credit Standing of Private Education Loan Borrowers:**
  - Gives distressed private education loan borrowers the chance to rehabilitate their damaged credit by requiring adverse information relating to their delinquent or defaulted loans be removed from reports.
  - Provides reasonable grace periods for those facing extenuating and unusual life circumstances, such as certain service members and natural disaster victims.
- **Shortens the amount of time negative information stays on a credit report:**
  - Reduces the punitive retention periods that most adverse credit information remains on reports to 4 years (7 years for bankruptcies).
- **Restores the Impaired Credit of Victims of Predatory Activities and Unfair Practices:**

- Allows borrowers, who have been victimized by predatory lenders or servicers, to have adverse information relating to their mortgages taken off their reports.
- Requires the removal of negative information from reports relating to private education loans obtained to attend deceptive, fraudulent for-profit colleges.
- **Expands Free Access to and Provides More Meaningful Information About, Consumer Reports and Credit Scores:**
  - Reduces consumers' confusion about their creditworthiness by increasing instances in which consumers are given free scores, such as when they obtain their free annual reports and after disputing any errors on their reports.
  - Provides consumers with free credit scores, actually used by creditors, when they apply for private education, car, or mortgage loans.
- **Bans Deceptive Marketing and Other Unfair Consumer Reporting and Credit Scoring Practices:**
  - Combats credit discrimination for consumers with limited English proficiency by encouraging CRAs and furnishers to provide their credit reporting materials in the top ten most commonly spoken languages in the United States.

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